



# Boards of Directors and Corporate Strategy in an Uncertain Context.

2021 IESE-ECGI Corporate Governance Conference

IESE Business School, Madrid Campus & Online • October 4-5, 2021



## **The Role of Boards of Directors in Corporate Strategy**

Corporate strategy is considered a central driver of the firm's long-term orientation and a key influencer in corporate financial performance. Corporate governance suggests that boards of directors have the duty to govern the firm and help develop it sustainably for the long term. Hence, boards are supposed to discuss the firm's strategy and eventually make relevant decisions on corporate strategy.

More recently, large institutional investors such as BlackRock, State Street and Vanguard, among others, have explained that they expect boards of directors to understand and discuss business strategy with their CEOs. Boards need to make sure that strategy and strategic decisions will help the company create sustainable economic value. This perspective that asset managers offer today is consistent with what leading families in business, private equity and venture capital firms have been doing over the past two decades. As investors sitting on boards of directors, they are very active in working with the CEO on strategy in the firms they invest in.

Boards' work on corporate strategy can have a deep impact on companies. A good corporate strategy will help companies in facing their overall responsibilities, investing for the long term, creating jobs, developing innovative products and services, and making an overall positive impact on society.

Boards that deal with strategy face a complex task. Board of directors need to have a deep understanding of the businesses of the company and their industries, as well as the main issues in some complex strategic decisions, such as digital transformation, decarbonization, acquisitions, mergers, spin-offs or corporate restructuring. The core issue of the strategic decision itself –such as a strategic investment, acquisition, or a merger- is very important and requires specific knowledge and capabilities. There are other areas that involve not one, but a sequence of strategic decisions, such as adopting a notion of purpose for the firm, leading a corporate transformation, caring about the firm's culture, or committing to sustainability in the business model. Finally, the context and process by which the board makes the final strategic decision are also very relevant, since they may influence the outcome of the decision. There are many forces shaping this process, such as board dynamics, the tone at the top, the interaction between the board and the CEO, relations between the board and key shareholders or among the different board members, among others.

The responsibility of boards of directors regarding strategy and strategic decisions is clear. The level of strategic uncertainties that companies and their boards face is also increasing. In this context, boards need to develop and use some criteria and frameworks to tackle those strategic challenges and make decisions, in particular, in contexts of high uncertainty. They also should be organized to make this type of decision. Boards need to understand strategy. They also need to develop some capabilities, such as discussing strategy and strategic decisions, and following decisions' execution and monitoring senior management. Boards need to learn how to work with the CEO and the top management team on strategy. As a result, boards need to build some strategic-making capabilities.

This 2021 IESE-ECGI Corporate Governance Conference aims at discussing these issues from the specific angle of the board of directors as the top decision-maker in an organization. The Conference design is based upon the contribution of corporate strategy, corporate finance, and organizational economics scholars. It adopts the specific perspective of boards of directors as a collegial group that has the ultimate responsibility of those decisions. With this orientation, the conference plans to have a cross-disciplinary approach. The conference will consist of five sessions where a distinguished scholar



will present a paper, followed by a discussant. It will also include some sessions with CEOs and chair persons to discuss the theory and practice of boards in strategy.

This international conference will be held at IESE, Madrid Campus on October 4-5, 2021. We expect to have 150 participants on campus (scholars, board directors and senior executives). This conference will also be live-streamed for those who are registered to attend remotely.

Jordi Canals  
IESE Business School

Marco Becht  
ECGI and Université libre de Bruxelles



## Conference Agenda

MONDAY, OCTOBER 4, 2021 • DAY 1

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- 13:30 **Welcome and Conference Introduction**  
Marco Becht, ECGI and Université libre de Bruxelles  
Jordi Canals, IESE Business School  
Carlos Cavallé, Social Trends Institute, President  
Franz Heukamp, IESE Business School, Dean
- 13:45-15:00 Session 1 ***Boards, Activist Investors and Strategic Decision-Making***  
Margarethe F. Wiersema, University of California, Irvine  
Discussant: Gaizka Ormazabal, IESE Business School  
Chair: Colin Mayer, University of Oxford
- 15:15-16:30 Session 2 ***Distinguished Lecture: Corporate Governance, Boards of Directors and Corporate Strategy***  
Bengt Holmstrom<sup>1</sup>, MIT Professor and Nobel Laureate in Economics  
Discussant: Sophie L' Helias, LeaderXXchange, President  
Chair: Marta Elvira, IESE Business School
- 16:45-18:00 Session 3 ***Sustainability Strategy***  
Ioannis Ioannou<sup>2</sup>, London Business School  
Discussant: Fabrizio Ferraro, IESE Business School  
Chair: Pascual Berrone, IESE Business School
- 18:15-19:30 Session 4 **CEOs Roundtable**  
***Boards of Directors and Corporate Strategy***  
Denise Kingsmill<sup>3</sup>, Inditex, Board Member  
Tobías Martínez, Cellnex, CEO  
Rafael del Pino, Ferrovial, Chairman  
Risto Siilasmaa, Investor and former Chairman of Nokia  
Moderator: Jordi Canals, IESE Business School
- 19:30-19:40 **Wrap-Up**  
Marco Becht, ECGI and Université libre de Bruxelles  
Jordi Canals, IESE Business School

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<sup>1</sup> Speaker will present remotely

<sup>2</sup> Speaker will present remotely

<sup>3</sup> Speaker will present remotely



TUESDAY, OCTOBER 5, 2021 • DAY 2

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- 13:25-13:30                      **Introduction- Day 2**  
Marco Becht, ECGI and Université libre de Bruxelles  
Jordi Canals, IESE Business School
- 13:30-14:45    Session 5    ***Boards of Directors and Governance during the Pandemic***  
Renée Adams<sup>4</sup>, University of Oxford  
Discussant: Francisco Reynés, Naturgy, Chairman  
Chair: Mireia Giné, IESE Business School
- 15:00-15:30    Session 6    ***Strategy, Sustainability and Transformation: A Dialogue***  
Jean-Pascal Tricoire<sup>5</sup>, Schneider Electric, Chairman  
Moderator: Jordi Canals, IESE Business School
- 15:45-17:00    Session 7    ***Boards and Strategy: Managing Conflicts Among Stakeholders***  
Jay B. Barney, University of Utah  
Discussant: Joan Enric Ricart, IESE Business School  
Chair: Africa Ariño, IESE Business School
- 17:15-18:15    Session 8    **CEOs Roundtable**  
***Strategy and Sustainability. A Board Perspective***  
Herman Daems, BNP Paribas Fortis, Chairman  
Sophie L' Helias, LeaderXXchange, President  
Juvencio Maeztu, Ingka Ikea, Deputy CEO and CFO  
Moderator: Jordi Gual, IESE Business School
- 18:15-18:30                      **Wrap-Up**  
Marco Becht, ECGI and Université libre de Bruxelles  
Jordi Canals, IESE Business School

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<sup>4</sup> Speaker will present remotely

<sup>5</sup> Speaker will present remotely